

**NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE**

**REVIEW REQUIREMENTS**

**HOMEOWNERS**

<b>REVIEW REQUIREMENTS</b>	<b>REFERENCE</b>	<b>COMMENTS</b>
<b>FORMS</b>		
<b>APPLICATIONS</b>		
Fraud Warning Required	N.J.A.C. 11:16	All applications for insurance shall prominently and clearly contain the following statement: "Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties."
<b>ARBITRATION</b>		
Binding	N.J.S.A. 17:36 - 5.20	Binding.
<b>CANCELLATION &amp; NONRENEWAL</b>		
Cancellation by the insured	N.J.S.A. 17:36-5.20	Can be canceled for any reason and return premium on a pro-rata basis.
Cancellation by the company	N.J.A.C. 11:1-20.2 & 20.4	Nonpayment of premium and moral hazard require a ten day notice prior to effective date of termination; Other reasons require at least 30 days notice but not more than 120 days.
Nonrenewal	NJAC 11:1-20.2 & 20.4	30 days notice but not more than 120 days.
<b>FILING STANDARDS</b>		
Forms	N.J.S.A. 17:29A - 6	All personal policy forms must be filed and receive formal approval before use.
Format	N.J.A.C. 11:1-2	Establishes requirements as to the format of filings for policy forms and endorsements.
<b>POLICY PROVISIONS</b>		
Loss Payable	N.J.S.A.. 17:36 - 5.20	Loss must paid within 30 days of proof of loss.
165 Line Fire Policy	NJSA 17:36-5.20	Homeowners policies must provide coverage as broad as that contained in the Standard Provisions (165 Lines)
<b>READABILITY POLICIES</b>		
Plain Language	N.J.A.C.. 11:2 - 18	Personal lines ONLY. Insurers can request certification.
<b>EXCLUSIONS</b>		
Animal Exclusion	Unpublished requirement	Not permitted - misleading and against public policy
Fungi/Mold	Bulletin 02-14	Permitted but must comply with Bulletin
Home Day Care Coverage	Unpublished requirement	Not permitted unless buy-back coverage is offered
Lead Paint	N.J.A.C. 11:13-7.4	Must comply with regulation

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<b>EXCLUSIONS (continued)</b>		
Pollution	Unpublished requirement	Permitted for First Party Property Coverage but must provide Third Party Liability Coverage for the discharge of all pollutants if the occurrence is sudden and accidental
Sexual Molestation Exclusion	Unpublished requirement	Permitted only if an optional buy back coverage is offered. The rates for the buy back must be submitted with justification.
Terrorism Exclusion	Unpublished requirement	NOT permitted. Misleading and against public policy.
Windstorm/Hail	N.J.A.C. 11:2-41	"Optional" wind/hail deductibles are to be filed pending approval
<b>RATES &amp; RULES</b>		
<b>PRICING</b>		
Rating Standards	N.J.S.A. 17:29A7	Rates shall not be excessive, inadequate or unfairly discriminatory
Rates/Rules	N.J.S.A. 17:29A-6 & 17:29A-7	An insurer may itself established rates and supplementary rate information or may use rates prepared by a rating organization of which it is a member.
Loss Costs Procedures	N.J.A.C. 11:4	Lost Cost filings must be filed in accordance with the Prospective Loss Cost Procedures.
<b>GENERAL FILING REFERENCES</b>		
Credit Card Payments & Electronic Fund Transfers	N.J.A.C. 11:1-24	This is permitted but must comply with regulation
Excess Rate Filings	N.J.S.A. 17:29A-7.1	Excess Rate Consent Filings are permissible for those individual risks that have unique characteristics that are not contemplated by the company when developing the rate for the average risk in that class.
Filing Status	NJSA 17:29A-6	All personal policy forms, rates and rules must be filed and receive formal approval before use.
Format	N.J.A.C. 11:1-2	Establishes requirements as to the format of filings pertaining to rates, rules, and rating plans.
Premium Payment Plans	Bulletin 94-01	Premium Payment Plans filed with the Department should comply with Bulletin 94-01 (All Insurers Transacting Business of Personal Private Passenger Auto Insurance in New Jersey)
Windstorm Market Assistance Program	NJAC 11:2-41 and Bulletin 94-8	Voluntary program to ensure availability of Homeowners Insurance in coastal areas of the state
Statistical Reporting	N.J.S.A. 17:29A-6	Insurer must report statistical information to a statistical agent